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ICKENSON
MINES
LIMITED



1961

ANNUAL REPORT

DICKENSON MINES LIMITED

ANNUAL REPORT

TO THE SHAREHOLDERS
DECEMBER 31, 1961

ANNUAL MEETING OF THE SHAREHOLDERS
ROYAL YORK HOTEL, TORONTO
ALGONQUIN ROOM - 10:30 A.M. - MAY 23, 1962

DICKENSON MINES LIMITED

Directors

ARTHUR W. WHITE	-	-	-	-	-	Toronto, Ont.
CHARLES R. DIEBOLD	-	-	-	-	-	Buffalo, N.Y.
L. I. ROSS	-	-	-	-	-	Nassau, Bahamas
M. L. URQUHART	-	-	-	-	-	Toronto, Ont.
ROY A. JODREY	-	-	-	-	-	Hantsport, N.S.
S. C. SMITH	-	-	-	-	-	Toronto, Ont.
R. F. ROCK	-	-	-	-	-	Wilmington, Delaware

Officers

ARTHUR W. WHITE	-	-	-	-	-	President
CHARLES R. DIEBOLD	-	-	-	-	-	Vice-President
DAVID F. BURT, Q.C.	-	-	-	-	-	Secretary
LAWRENCE W. McILMURRAY	-	-	-	-	-	Assistant Secretary
H. RODNEY HEARD	-	-	-	-	-	Treasurer
L. V. BARBISAN	-	-	-	-	-	Assistant Treasurer

Executive Office

25 ADELAIDE ST. WEST, SUITE 416	-	-	Toronto, Ont.
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Mine Office

FREDERICK A. FELL	-	-	-	-	General Manager
BALMERTOWN, ONTARIO					

Auditors

MCDONALD, NICHOLSON & Co.	-	-	Toronto, Ont.
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Bankers

CANADIAN IMPERIAL BANK OF COMMERCE,		Toronto, Ont.
THE BANK OF NOVA SCOTIA		
		Toronto and Balmertown, Ont.

Registrar and Transfer Agents

THE STERLING TRUSTS CORPORATION	-	Toronto, Ont.
BANK OF NEW YORK	- - - - -	New York City
THE FIRST NATIONAL BANK OF JERSEY CITY,		New Jersey

DICKENSON MINES LIMITED

Summary of Operations — Dickenson Mine Property

	1961	1960	1959	To Date
TONS ORE MILLED	171,935	171,840	171,227	1,682,611
Daily average	471	470	469	355
Grade ounces per ton (Millheads)	0.561	0.584	0.561	0.543
PRODUCTION:				
Value less marketing charges <i>down</i>	\$3,123,029	\$3,134,085	\$2,877,387	\$27,822,600
Ounces gold <i>down</i>	88,358	91,540	85,851	811,530
Per ton milled <i>down</i>	\$18.16	\$18.24	\$16.80	\$16.54
EMERGENCY GOLD MINING ASSISTANCE	—	—	—	\$ 1,636,900
Per ton milled to which aid applies (1949-1956 841,172 tons)	—	—	—	\$1.946
TOTAL REVENUE FROM ALL SOURCES ..	\$3,175,854	\$3,176,388	\$2,903,557	\$29,638,389
Per ton milled	\$18.47	\$18.48	\$16.96	\$17.61
CASH FLOW—Profit before depreciation and write-offs	\$ 939,951	\$1,109,641	\$ 989,443	\$10,992,431
Per ton milled	\$5.47	\$6.46	\$5.78	\$6.53
Per share	\$0.27	\$0.32	\$0.36	\$3.13
NET PROFIT	\$ 703,447	\$ 522,719	\$ 475,364	\$ 5,415,569
Per ton milled	\$4.09	\$3.04	\$2.78	\$3.22
Per share	\$0.20	\$0.15	\$0.17	\$1.54
DIVIDENDS—paid years 1953 to 1961 inclusive	\$ 631,569	\$ 536,958	\$ 344,010	\$ 3,231,412
Per share	\$0.18	\$0.17	\$0.12½	\$1.10
ORE RESERVES—tons at end of period ..	467,550	497,489	511,257	—
Grade—ounces per ton	0.543	0.55	0.56	—
NO. OF EMPLOYEES	265	263	250	—
SHAREHOLDERS	4,203	3,659	2,827	—

This is interesting. Why? Someone on a selling campaign?

PRESIDENT'S REPORT TO SHAREHOLDERS

March 29, 1962

On behalf of the Board of Directors, I am pleased to submit herewith the Annual Report on the operations of your Company for the year ended December 31, 1961, including the Financial Statements and related Auditors' Report, the report of the General Manager covering mining operations, and other information of interest.

EARNINGS AND DIVIDENDS

Net profits for 1961 were \$703,447 — an increase of \$180,728 over 1960 — and the highest ever reported by your Company.

his is the reason
No deduction was made from 1961 operating profit for amortization of preproduction and deferred development expenditures. Heavy write-offs in previous years have reduced the unamortized balance of this item to the modest figure of \$452,000. On the other hand, the full cost of the major shaft-deepening program — in excess of \$250,000 — was charged direct to the year's operations under "Exploration and Development Expense".

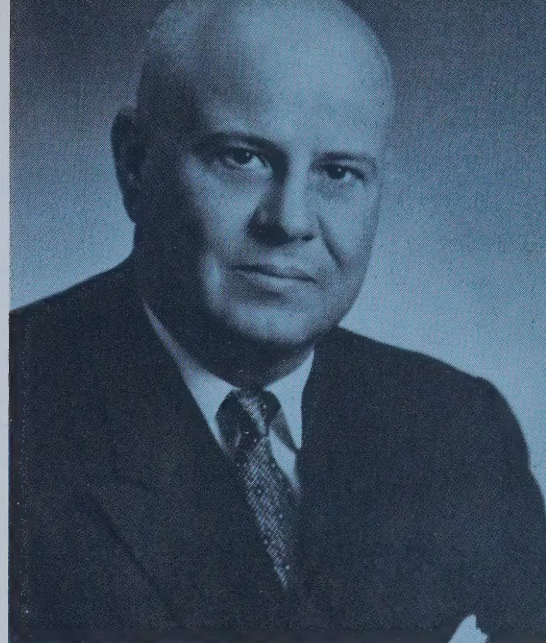
Earnings per share were 20¢ in 1961 compared with 15¢ per share in 1960.

Dividends at the rate of 18¢ per share were paid in 1961 and payments amounted to \$631,569. In 1960, dividends were at the rate of 17¢ per share and payments amounted to \$536,958.

Dividends have been paid in each of the past nine years. Total payments amount to \$3,231,412.

MINING OPERATIONS

Tons milled and production were held at practically the same levels as in 1960. Pro-



ARTHUR W. WHITE

duction value (after marketing charges) was \$3,123,029 — within \$11,000 of the record year 1960. Higher gold prices during the second half of the year compensated for slightly lower millheads resulting from treatment of considerable development ore.

With the United States dollar now trading at a premium of approximately 5% , in terms of the Canadian dollar, the current Mint price of gold is about \$36.75 per ounce. This compares with an average of \$33.98 in 1960 and \$33.56 in 1959. Your Company continued to sell its production through the marketing facilities of The Bank of Nova Scotia.

EXPLORATION AND DEVELOPMENT

The continuing aggressive underground exploration and development program produced some highly pleasing results during the year under review. The widest ore body yet found in the mine is now being opened up. Since this is proving so interesting I feel justified in quoting from the General Manager's report:

"A new ore zone designated as the 'H' zone was located on the seventeenth

level by diamond drilling in a new rock environment and type as compared to the other ore zones in the mine area. This zone is situated about 200 feet south of the East South 'C' zone. This 'H' zone, as outlined by diamond drill holes, is about 320 feet long by an average width of 36.3 feet grading 0.43 ounces per ton. Drifting has just started in this ore body at year end."

SHAFT DEEPENING

In order to ensure ample scope for future development at the property at depth, the mine shaft has been deepened 654 feet — from 2,915 feet (the 20th level) to 3,569 feet (the 24th level).

Looking still further into the future, present planning indicates a winze (or internal shaft) as the likely method of exploring at further depths.

ORE RESERVES

Positive ore reserves at December 31, 1961 were calculated at 467,550 tons grading 0.543 ounces per ton, as against 497,489 tons grading 0.552 ounces per ton at December 31, 1960. This minor drop has been more than offset by recent ore developments including the new zone referred to above which could not be included in ore reserves at December 31, 1961 because of the status of its development at that date.

On the basis of the best geological and engineering advice the mine has a great many years of profitable production ahead.

VIOLAMAC MINES LIMITED

Your Company owns 46.3% of the outstanding shares of this listed company.

ViolaMac's principal assets include 465,009 shares of Dickenson Mines Limited, having a market value of \$1,743,784 at December 31, 1961; and of rapidly increasing importance, a 96¼% interest in Kam-Kotia Porcupine Mines, Limited, a new 1,000 tons per day profitable

copper producer (See under Kam-Kotia — below).

Other assets include a small lead-zinc producer, the Victor mine in British Columbia, which operated in 1961 and earned a small profit.

Investments and interests in mining properties include a \$420,000 Income Debenture of Kam-Kotia.

For purposes of information, a copy of ViolaMac Mines Limited Annual Report for 1961 is being mailed to registered shareholders of Dickenson Mines Limited.

KAM-KOTIA PORCUPINE MINES, LIMITED

Your Company owns — through its share holdings of ViolaMac Mines Limited — 44.5% direct interest in this company. About \$2.5 million was required to bring this 1,000 ton per day, open-pit copper property into profitable production. Financing for this venture was secured from Dickenson Mines — \$810,000, ViolaMac Mines — \$420,000 (both amounts secured by Income Debentures). Certain additional funds were obtained by way of a bank loan from the Canadian Imperial Bank of Commerce. Loans are now on a regular reducing basis.

Immediately following purchase of control of ViolaMac Mines in 1960, your Directors pressed for plans aimed at getting the Kam-Kotia into operation. The pleasing and profitable results to date are a welcome addition to our potential and fully confirm your Directors' faith in this undertaking of consequence.

TAURCANIS MINES LIMITED

In addition to its substantial share interest in this Company, Dickenson Mines Limited is participating further, with Consolidated Discovery Yellowknife Mines Limited and Rayrock Mines Limited, in providing \$600,000 to carry out Program "C" of the development program. Our portion of this expenditure is \$216,000.

The Company, early this year, reported that ore calculations for the Matthews vein amounted to 200,000 tons averaging 0.80 ounces of gold per ton.

This is an interesting property which, it is expected, can be brought into production in the latter part of 1963.

ROBIN RED LAKE MINES LIMITED

Your Company has entered into an agreement with Dome Mines Limited and Noranda Mines Limited whereby the Robin property, which adjoins Dickenson on the East, will be developed from the Dickenson 19th level mine workings.

Rich ore on Dickenson has been extended to near the common party wall and, it is anticipated, will continue into the Robin property.

CRAIBBE-FLETCHER GOLD MINES LIMITED

Your Company still retains its holdings (over 25% of the issued shares) in this gold prospect.

No further work was done on the property during the year.

This property is well located in the Red Lake producing area. Interesting developments on nearby properties keep alive possibilities of further exploration in the future.

OTHER INVESTMENTS AND INTERESTS

Your Company has pursued a policy of building up wide holdings of various interests in other mining companies and properties.

Within the Red Lake area we have a considerable share interest in the following:

Abino Gold Mines Limited,
DeCoursey-Brewis Minerals Limited,
Duchesne Red Lake Mines Limited,
Laddie Gold Mines Limited,
Parvus Mines Limited,
Redcon Gold Mines Limited

and in the Kam-Kotia (Porcupine area):
Jameland Mines Limited —
and another well located claim group.

OUTLOOK

Gold has regained its historic stature as the backbone of international finance. A growing balance-of-payments problem creates a real demand for the one commodity every nation wants — the only commodity still selling at 1932 prices.

Speaking personally, I have no wish to see Dickenson Mines, or the gold mining industry generally, benefit from any increase in the fixed price of gold if such a step means a serious upheaval in world currencies. However, the industry has carried on for many years under extremely difficult conditions and it seems no more than fair that the price of gold should at least be high enough to repay the costs of efficient production.

Time is running out, economic pressures are building up, the decision on gold cannot be put off forever.

Fortunately Dickenson's ore grade is high enough to permit a very profitable operation. We should have another good year in 1962.

SINCERE APPRECIATION

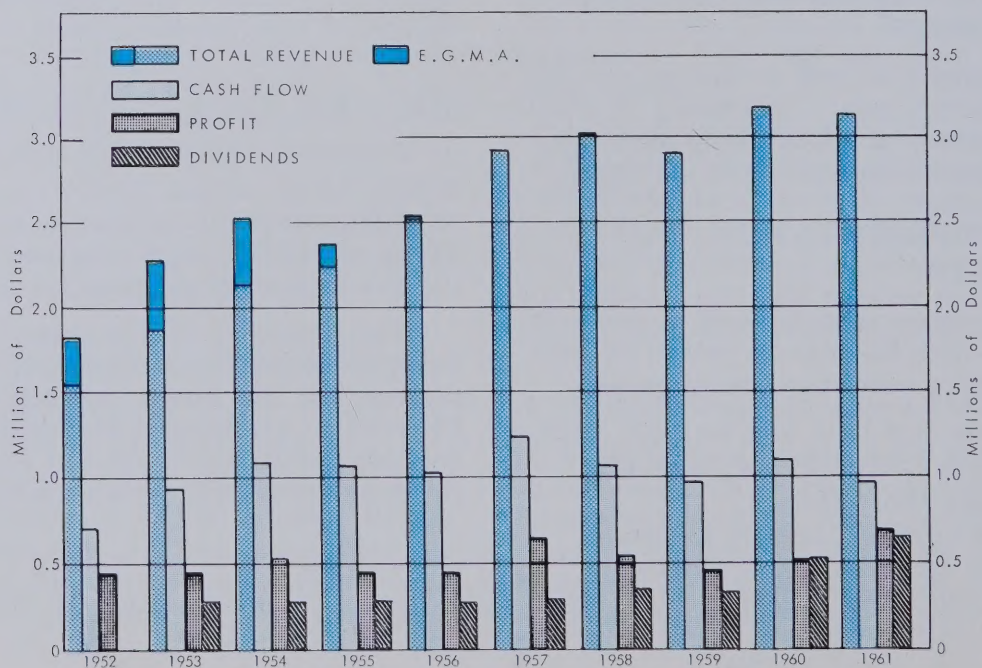
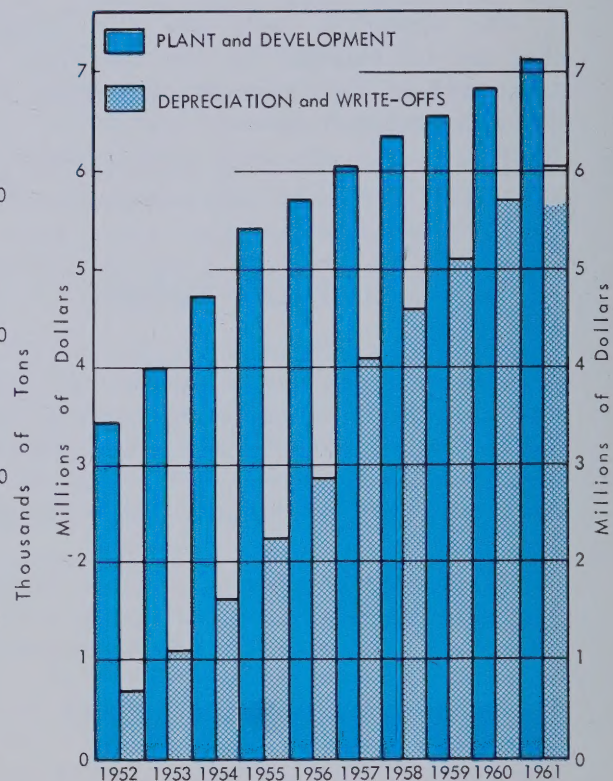
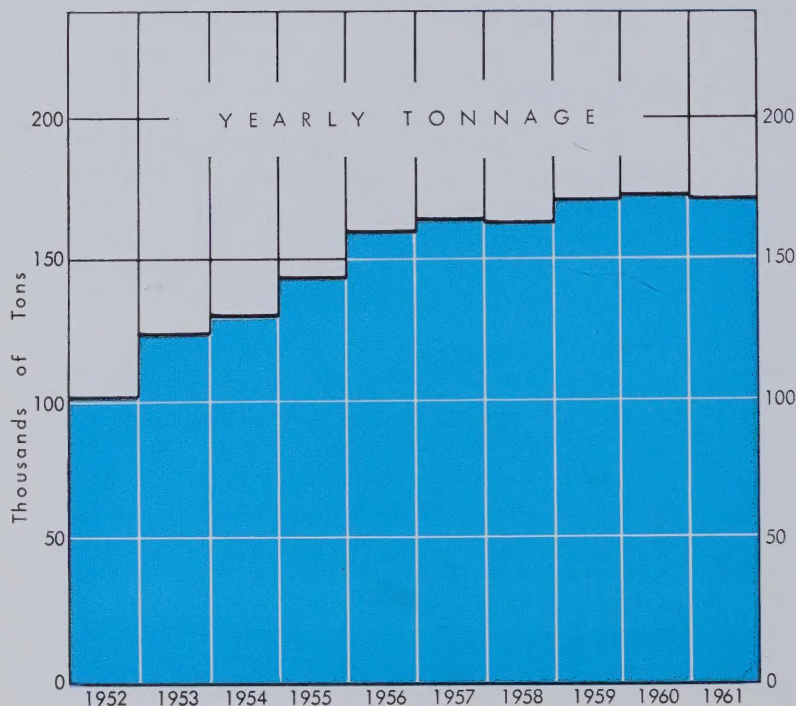
A successful Company requires first, shareholders whose capital creates the enterprise; secondly, sound management to direct its affairs and thirdly, loyal employees to execute the directives of management.

With this in mind it is indeed a pleasure for me to express my thanks to our loyal shareholders, and the sincere appreciation of the Directors to our General Manager, Mr. F. A. Fell, his department heads and all employees for their outstanding achievements.

ARTHUR W. WHITE,

President.

LAST TEN YEARS OF PRODUCTION



DICKENSON MINES LIMITED

AUDITORS' REPORT

To the Shareholders,
DICKENSON MINES LIMITED,
TORONTO, Canada.

We have examined the attached Balance Sheet of DICKENSON MINES LIMITED as at 31st December, 1961, together with the Statements of Operations, Earned Surplus and Contributed Surplus for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying Balance Sheet and related Statements of Operations, Earned Surplus and Contributed Surplus present fairly the financial position of the Company as at 31st December, 1961, and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles consistently applied.

McDONALD, NICHOLSON & CO.,

Chartered Accountants.

TORONTO, 5th March, 1962.

Balance Sheet

31st December, 1961

DICKENSON

(Incorporated under the L

ASSETS

CURRENT ASSETS:

Cash on Hand and in Banks	\$ 271,828	
Bullion on Hand and in Transit, at net realizable value	156,989	
Accounts Receivable and Accrued Interest	209,975	\$ 638,792

INVESTMENTS:

Listed Shares, at cost (Quoted Market Value \$542,263)	\$ 439,050	
Other Shares and Securities, at cost	812,670	1,251,720

INTEREST IN AFFILIATED COMPANIES:

Shares and Securities, at cost less Reserve		
Listed Shares (Quoted Market Value \$1,434,880)	\$2,179,718	
Other Shares and Securities	1,697,394	\$3,877,112
Advances, less Reserve	213,028	4,090,140

STORES AND SUPPLIES, at average cost		374,658
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FIXED ASSETS:

Buildings, Machinery and Equipment, at cost	\$4,058,640	
Less: Accumulated Depreciation	3,514,375	\$ 544,265
Mining Claims, at cost	264,227	
Townsite Lots, at cost	80,008	888,500

OTHER ASSETS:

Prepaid Expenses	\$ 7,748	
Deposits with Government Agencies	20,477	28,225

DEFERRED CHARGES:

Deferred Development Expenditures	\$ 452,061	
Interest in and Expenditures on Outside Mining Properties	\$ 295,758	
Less: Amounts Written off	221,638	74,120
Other Deferred Charges	44,659	570,840
		<u>\$7,842,875</u>

(The accompanying Notes form

Subject to accompanying Report of this date

Toronto, 5th March, 1962.

McDONALD, NICHOLSON & CO.,

Chartered Accountants,

MINES LIMITED

(Incorporated in the Province of Ontario)

LIABILITIES

CURRENT LIABILITIES:

Bank Loan	\$ 350,000		
Accounts Payable and Accrued Liabilities	226,651		
Wages Accrued	27,771		
Mining Taxes Accrued	30,000	\$ 634,422	

CAPITAL STOCK AND SURPLUS:

Capital Stock

Authorized 3,750,000 shares of \$1.00 each ...	<u>\$3,750,000</u>		
Issued 3,510,140 shares		\$3,510,140	

Surplus

Contributed Surplus	\$1,331,609		
Earned Surplus	<u>2,366,704</u>	<u>3,698,313</u>	7,208,453

Approved on behalf of the Board:

A. W. WHITE, Director.

S. C. SMITH, Director.

\$7,842,875

(Integral part of this Statement)

DICKENSON MINES LIMITED

STATEMENT OF CONTRIBUTED SURPLUS FOR THE YEAR ENDED 31st DECEMBER, 1961

BALANCE, 1st January, 1961	\$1,326,609
<i>Add:</i>	
Premium on shares issued during the year	5,000
BALANCE, 31st December, 1961	<u>\$1,331,609</u>

STATEMENT OF EARNED SURPLUS FOR THE YEAR ENDED 31st DECEMBER, 1961

BALANCE, 1st January, 1961	\$2,794,826
<i>Add:</i>	
Net Profit for the year	703,447
	<u>\$3,498,273</u>
<i>Deduct:</i>	
Dividends declared and paid	\$ 631,569
Provision for possible decline in value of Interest in Affiliated Companies	500,000
	<u>1,131,569</u>
BALANCE, 31st December, 1961	<u>\$2,366,704</u>

NOTES TO FINANCIAL STATEMENTS 31st DECEMBER, 1961

- (1) During 1959, Options were granted to senior mine employees which, if exercised, would permit them to purchase 49,800 shares of the Company's capital stock at a price of \$2.00 per share up to 30th April, 1964. As at 31st December, 1961, 49,600 shares had been issued under this Option Plan.
- (2) The total remuneration of Directors, as such, for the years 1961 and 1960 was \$6,583.35 and \$6,750.00 respectively.

DICKENSON MINES LIMITED

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED 31st DECEMBER, 1961

(with a comparative statement for the year ended 31st December, 1960)

	1961	1960
Bullion Production	\$3,142,308	\$3,161,913
Less: Marketing Expense	19,279	27,828
	<u>3,123,029</u>	<u>3,134,085</u>
<i>Deduct:</i>		
Exploration and Development	638,300	472,431
Mining	667,790	720,683
Milling	457,475	443,339
Mine General	322,238	289,013
Head Office Administration and General	120,463	100,572
Provision for Tax under the Mining Tax Act, Ontario ..	29,637	39,009
	<u>2,235,903</u>	<u>2,065,047</u>
Profit from Operations before Provision for Depreciation	887,126	1,069,038
<i>Deduct:</i>		
Provision for Depreciation of Buildings, Machinery and Equipment	223,581	284,814
	<u>663,545</u>	<u>784,224</u>
<i>Add:</i>		
Income from Investments	44,041	42,241
Profit on Sale of Fixed Assets	959	62
Profit on Sale of Investments	7,825	—
	<u>52,825</u>	<u>42,303</u>
Profit before Amortization of Preproduction and Deferred Development Expenditures and Write-off of Outside Exploration	716,370	826,527
<i>Deduct:</i>		
Amortization of Preproduction and Deferred Development Expenditures	—	282,954
Outside Exploration Written-off	12,923	19,154
	<u>12,923</u>	<u>302,108</u>
Net Profit from Operations	703,447	524,419
Provision for Taxes on Income	—	1,700
NET PROFIT for the year	<u>\$ 703,447</u>	<u>\$ 522,719</u>

(The accompanying Notes form an integral part of this Statement)

DICKENSON MINES LIMITED

STATEMENT OF SOURCE AND DISPOSITION OF FUNDS

FOR THE YEAR ENDED 31st DECEMBER, 1961

SOURCES OF FUNDS:

Net Profit	\$ 703,447	
Depreciation, Amortization and Write-offs	232,279	
Sale of Capital Stock	10,000	
Recovery of Advances to Affiliates (Net)	636,283	
Decrease in Stores and Supplies	14,499	\$1,596,508

DISPOSITION OF FUNDS:

Dividends Paid	\$ 631,569	
Fixed Asset Additions (Net)	76,688	
Security Purchases (Net)	913,337	
Deferred Development	170,995	
Outside Exploration	165,796	
Increase in Prepaid Expense	5,908	
Increase in Deposits with Government Agencies	299	1,964,592

DECREASE IN WORKING CAPITAL	\$ 368,084
Working Capital at beginning	372,454
WORKING CAPITAL AT END — being current assets less current liabilities ..	<u>\$ 4,370</u>

DICKENSON MINES LIMITED

The President and Directors,
Dickenson Mines Limited,
416 - 25 Adelaide Street West,
TORONTO, Ontario.

February 27, 1962.

Gentlemen:

This report covering the operations of your Company for the year 1961 is respectfully submitted for your consideration.

PRODUCTION

171,769 tons of ore and 54,783 tons of waste rock were hoisted. The waste was distributed as yard fill. The ore was sent directly to the mill bins.

The 171,935 tons of ore milled yielded 88,357.592 fine ounces of gold and 8,899.02 fine ounces of silver. The total value of this bullion was \$3,142,307.84 or a recovery of \$18.28 per ton milled.

Your Company continued to sell gold to the Bank of Nova Scotia. The average value received from the Bank was \$35.468 per ounce for gold, and 94.7¢ per ounce for silver. No benefits were received under the Emergency Gold Mining Assistance Act.

To date the mine has produced 811,677.723 ounces of gold and 70,723.02 ounces of silver with a total value of \$28,078,440.59 for an average value received from the Mint and the Bank of Nova Scotia of \$34.52 per ounce of gold and 87.5¢ per ounce of silver; total tons milled amount to 1,684,091 for a recovery of 0.482 ounces of gold per ton.

ANALYSIS OF OPERATING COSTS

	1961			1960
	Total	Per Ton Milled	Per Ounce	Per Ounce
Shaft Deepening	\$ 236,948	\$ 1.38	\$ 2.68	\$.14
Exploration and Development	401,352	2.33	4.54	5.02
Mining	667,790	3.89	7.56	7.87
Milling	457,475	2.66	5.18	4.84
Mine General Expense	322,238	1.87	3.65	3.16
Head Office Expense	121,114	.70	1.37	1.10
Marketing Charges	19,279	.11	.22	.30
	<u>\$2,226,196</u>	<u>\$ 12.94</u>	<u>\$ 25.20</u>	<u>\$ 22.43</u>

MINING

Broken ore totalling 143,727 tons remained in the stopes, a decrease of 16,704 tons from the previous year.

Of the 171,769 tons of ore hoisted, 26,190 tons were obtained from development and 145,579 tons were obtained from stoping and stope preparation.

Stoping operations were carried on in the North "C", South "C", "D", and "F" zones on the upper seventeen levels. Of the total ore hoisted, the percentages from the zones were — North "C" 20.7%; South "C" 54.7%; "D" 15%; "F" 6.5%, miscellaneous ("E," "G") 3.1%.

During the last quarter of the year one stope, on the ninth level in the North "C" zone, was started as a "cut and fill" stope using classified mill tailings as fill. The "shrinkage" stope method of mining continued throughout the year for the balance of the stopes. Tons broken per rock drill shift in stopes and backstopes were 37.9 compared to 36.2 in 1960. The average stope width was 5.6 feet compared to 5.3 feet the previous year.

EXPLORATION AND DEVELOPMENT

The following is a summary of the development footages completed to the end of 1961 with the previous two years given as a comparison:

	1961	1960	1959	To date
Shaft No. 1	620	—	—	3,589
Station Cutting	235	21	—	1,245
Drifting	5,339	6,668	2,573	59,084
Crosscutting	4,999	2,393	4,135	43,858
Raising	4,284	3,788	2,400	30,596
Ore Passes	126	—	460	2,891
Waste Passes	320	—	457	2,675
Slashing	922	991	935	13,361
Diamond Drilling:				
Surface	—	—	—	54,395
Underground	58,682	59,474	51,959	515,877

DEVELOPMENTS OF MAJOR INTEREST — Reference can be made to the map at the back of this report to obtain the relative locations of the ore zones mentioned here and the vertical depth of the levels below surface.

(1) A new ore zone designated as the "H" zone was located on the seventeenth level by diamond drilling in a new rock environment and type as compared to the other ore zones in the mine area. This zone is situated about 200 feet south of the East South "C" zone. This "H" zone, as outlined by diamond drill holes, is about 320 feet long by an average width of 36.3 feet grading 0.43 ounces per ton. Drifting had just started in this ore body at year end.

(2) Excellent ore was developed in the East South "C" zone on the seventeenth and nineteenth levels.

(3) The "F" zone was developed on the eighteenth level and the eighteenth level crosscut is now being driven to the South "C", East South "C", and "H" zones.

(4) The #1 shaft was deepened 620 feet to provide four new working levels namely the twentieth, twenty-first, twenty-second, and twenty-third.

(5) The classified tailings backfill plant was put back into operation and three inch diameter diamond drill holes were drilled from level to level so that fill can now be passed to any stope

from the third to nineteenth levels. One "cut and fill" type of stope was started during the year on the ninth level.

(6) The sixteenth level crosscut was started and is being driven to the South "C", East South "C", and "H" zones. This crosscut had about 2,200 feet to go to reach the "H" zone at year end.

(7) An exploratory drive, on the fifteenth level, was started and is being driven in a westerly direction in the vicinity of the Detta shaft area to explore the downward extension of the gold values located in the former Detta mine workings at the second level horizon. This drive is to be about 800 feet in length. Diamond drill holes will be drilled from it at intervals of 200 feet in a north-south direction to cover about 2,000 feet horizontally.

ORE DEVELOPED BY DRIFTING

Zone	Lineal Feet	Ounces/Ton	Width Feet	Level
"H"	26	0.32	7.5	17
East South "C"	1,033	0.58	5.5	17 and 19
"F"	589	0.71	4.5	16 and 18
South "C"	88	0.31	6.3	15 and 17
"D"	47	0.37	5.0	5
"G"	26	0.28	7.5	7
Total and average	1,809	0.58	5.2	

REMARKS ON ORE ZONES

North "C" — ore remnants continue to be developed and prepared for stoping in this zone.

South "C" — the known ore on the first fifteen levels is completely developed, and ore continues to be located in this zone below the fifteenth level.

East South "C" — this zone is located east of the South "C" on the same strike. The top of the zone is at about the fifteenth level and below this horizon excellent ore is being developed.

"F" — the known ore in this zone on the sixteenth, seventeenth, and nineteenth levels is developed. This ore is being prepared for stoping. Some drifting remains to be done on the eighteenth level.

"D" — mining is continuing on the eighth and ninth levels. Diamond drilling indicates that there is still ore to be developed between the thirteenth and tenth levels.

"H" — now being developed on the seventeenth level. It is planned to do development in this zone on the fifteenth, sixteenth and eighteenth levels during the year.

"B" — no production or development in this zone during the year.

"E" — supplied a low tonnage of about mine grade during the year. Development continues to locate lenses of ore in this area on the seventh level.

"G" — a short lense of ore was developed in this zone during the year. The ore in this zone is particularly erratic and is low in grade. No work is being done in this zone at present.

EXPLORATION DEPARTMENT — During 1961, a total of twenty-six gold properties, one copper-nickel property, and one cesium prospect were examined. No outstanding results were obtained, however some of these properties showed promise and additional work is recommended for next year. Sixty-eight claims were staked and seventy-seven claims allowed to lapse. 1,812 feet of diamond drilling were done; 366 feet in one hole on the East Bay water claim; and 1,446 feet in two holes on the South Fairlie township claims. No economic gold values were obtained in this drilling.

ORE RESERVES

At December 31, 1961, positive ore reserves, broken and in place, were calculated to be 467,550 tons having an average grade of 0.543 ounces of gold per ton. This compares with 497,489 tons grading 0.552 ounces per ton at December 31, 1960. The distribution of ore reserves is as follows:

	Tons	Grade
Above 1st Level.....	17,030	0.52
" 2nd Level.....	7,906	0.49
" 3rd Level.....	13,294	0.47
" 4th Level.....	5,370	0.55
" 5th Level.....	21,219	0.43
" 6th Level.....	29,131	0.40
" 7th Level.....	31,463	0.47
" 8th Level.....	31,516	0.47
" 9th Level.....	55,502	0.52
" 10th Level.....	16,396	0.59
" 11th Level.....	16,242	0.78
" 12th Level.....	22,631	0.78
" 13th Level.....	17,614	0.58
" 14th Level.....	26,109	0.50
" 15th Level.....	20,041	0.38
" 16th Level.....	30,181	0.48
" 17th Level.....	38,064	0.60
" 18th Level.....	38,441	0.66
" 19th Level and 40 feet below.....	29,400	0.65
	467,550	0.543

MILLING

Summary of Mill Operations with the previous year given as comparison.

	1961	1960
Tons treated	171,935	171,840
Percent operating time	98.44	98.43
Tons treated per day	471.1	469.5
Average value mill heads in ounces of gold per ton ..	0.561	0.584
Assay of mill tails in ounces of gold per ton	0.047	0.051
Recovery in ounces of gold per ton	0.514	0.533
Percent recovery	91.7	91.2

CAPITAL EXPENDITURES

Capital expenditures for the year amounted to \$96,185.21 and included the following as the major items:

MILL

- 2 — 15" Krebs Model D 15 cyclones.
- 1 — 28' x 22' wood stave water tank.
- 1 — 3 x 3 Canadian Allis-Chalmers SRL-C pump.
- 3 — Syntrol electric vibrators and controllers.

SURFACE

- 2 — Concrete basements under two dwellings.
Complete renovation of dwelling.
- 1 — Assay office transformer.
- 1 — Mine model.

UNDERGROUND

- 5 — Used 48 cu. ft. Hudson mine cars.
- 1 — Powertronic battery charger.
- 1 — 200 H.P. Canadian Westinghouse motor.
- 1 — 200 H.P. Canadian Westinghouse motor, spare.
- 1 — #24 Eimco rockershovel.
- 1 — Canton car transfer.
- 1 — Mather Platt pump, size 1, plurovane.

DEFERRED DEVELOPMENT

A total of \$170,994.38 was spent in 1960 on the former Detta claims for development in the form of drifting, crosscutting, raising and diamond drilling. The total amount spent to December 31, 1961 on this portion of the Dickenson property amounts to \$204,350.86.

GENERAL

Operating costs at the mine are up \$0.89 per ton milled over 1960. This is mainly due to \$1.38 per ton shaft deepening charges and a \$0.19 per ton increase in mine general expense. Exploration and development costs were down \$0.34, because the cost of work done on the old Detta claims was deferred. Mining costs were down \$0.30 per ton, reflecting a decrease in Broken Ore Reserves of 30,000 tons. Mill recovery was improved from 91.2% in 1960 to 91.7% in 1961.

Dickenson was again the winner of the Red Lake District Mine Rescue competitions.

The operating force at year end, including staff but not including part time students or diamond drill contractors, was 265.

In Balmertown townsite, new construction included; five houses by Campbell Mines; basements under two houses and renovation of another house by Dickenson Mines; one private house; and a post office. The district mines started work on a nine-hole golf course. Surface, rights on four claims adjoining Rahill Beach were obtained by Dickenson to provide additional summer dwelling locations and also to develop a ski hill on one of the claims.

Weight of supplies delivered to the property:

From local sources, (mainly timber, cordwood, oils and greases)	6,103 tons
From outside sources, (chemicals, steel, cookery supplies, capital equipment)	1,041 tons
From outside sources through direct trucking, (explosives, mill liners)	439 tons
Total	<u>7,583 tons</u>

In conclusion I wish to take this opportunity to thank you for your guidance and support and to express my appreciation to the Department Heads and the employees generally for their co-operation.

Yours very truly,

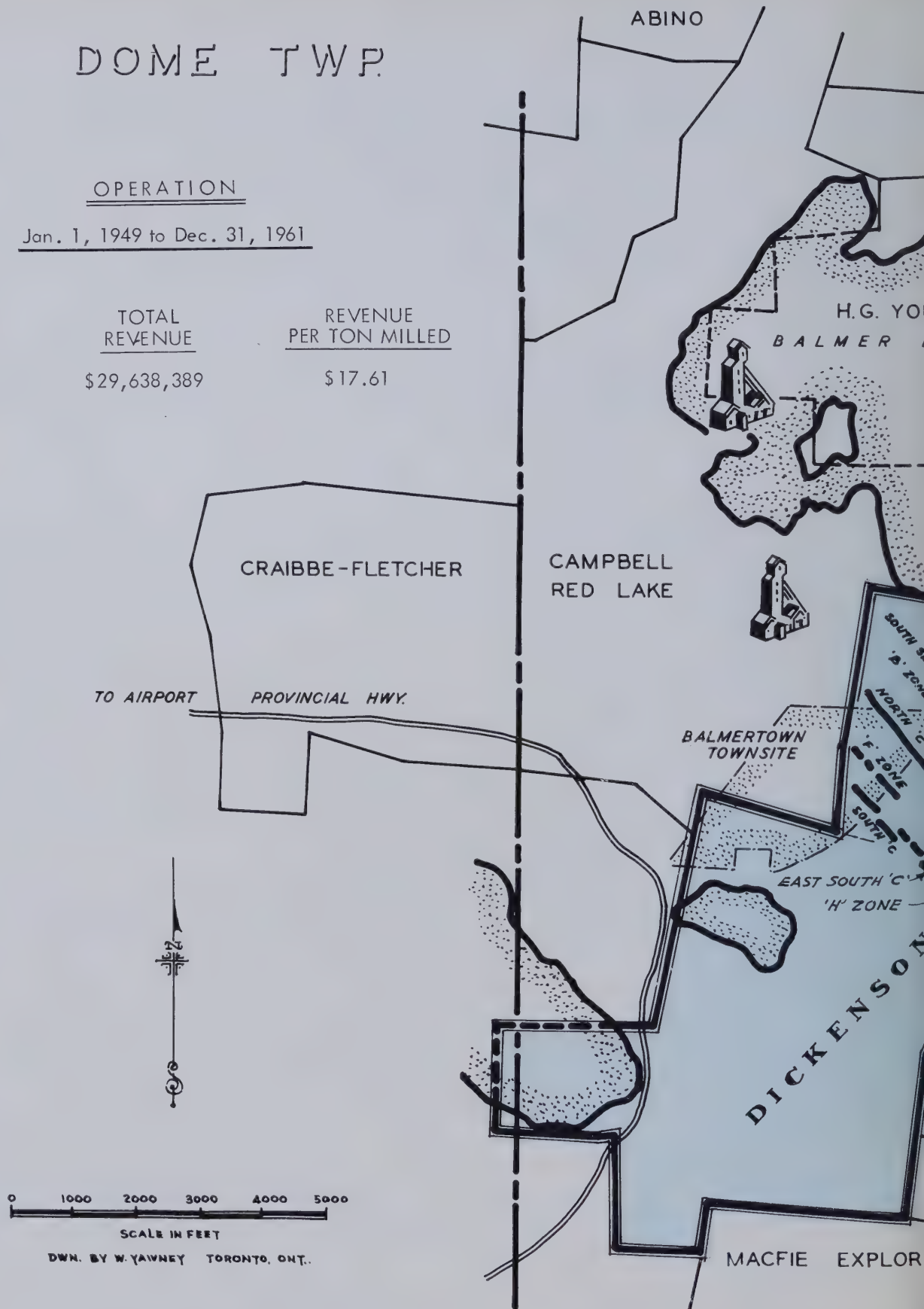
F. A. FELL,
General Manager.

DOMÉ TWP

OPERATION

Jan. 1, 1949 to Dec. 31, 1961

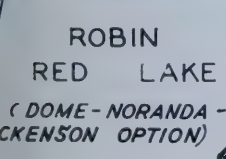
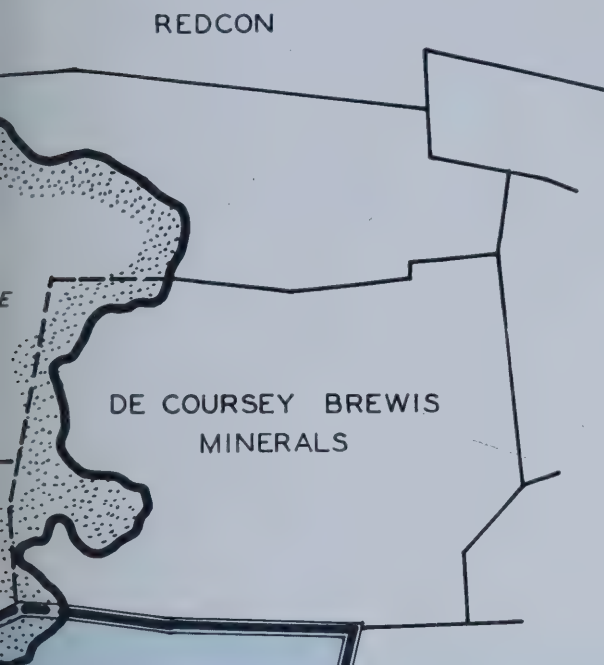
<u>TONS MILLED</u>	<u>TOTAL REVENUE</u>	<u>REVENUE PER TON MILLED</u>
1,682,611	\$29,638,389	\$17.61



BALMER TWP

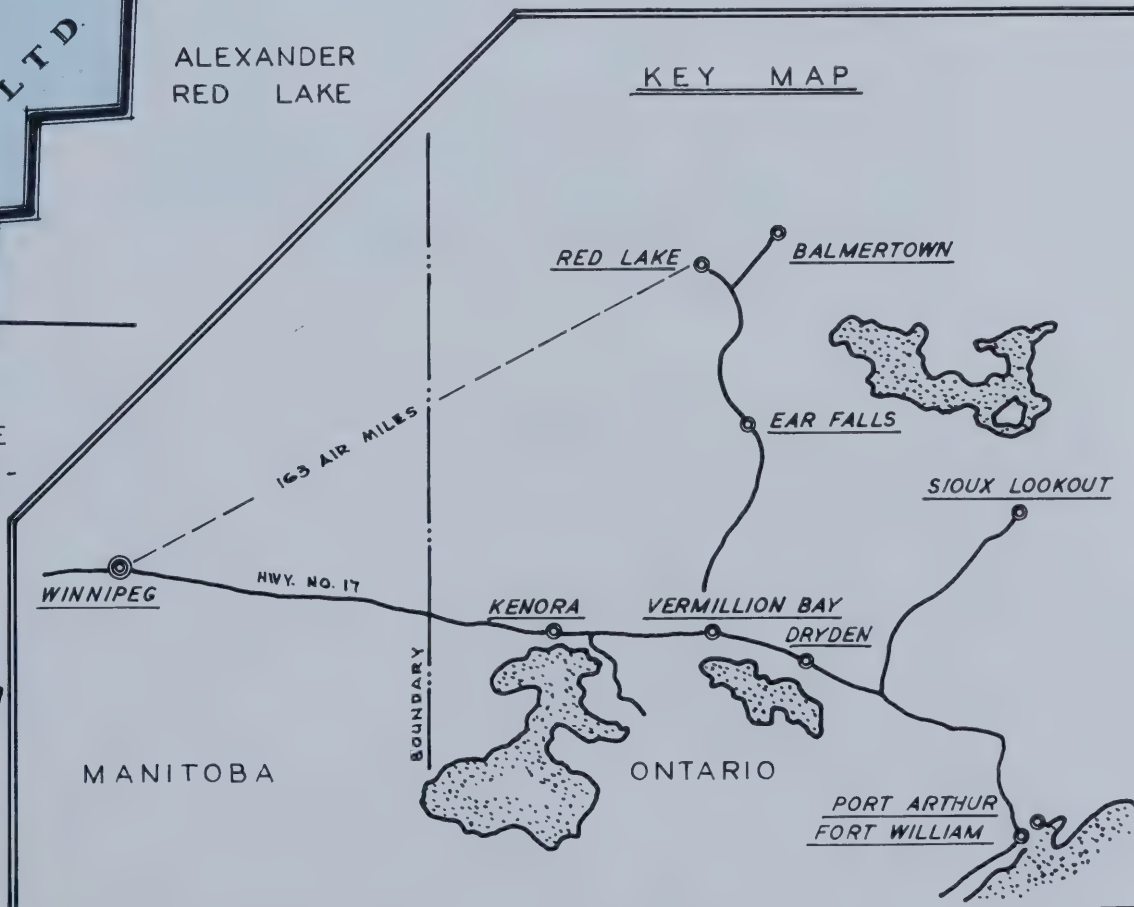
LEVEL ELEVATIONS

Collar	0'
1st level	140'
2nd "	265'
3rd "	390'
4th "	515'
5th "	665'
6th "	815'
7th "	965'
8th "	1115'
9th "	1265'
10th "	1415'
11th "	1565'
12th "	1715'
13th "	1865'
14th "	2015'
15th "	2165'
16th "	2315'
17th "	2465'
18th "	2615'
19th "	2765'
20th "	2915'
21st "	3065'
22nd "	3215'
23rd "	3365'
24th "	3515'
Sump	3589'



ALEXANDER
RED LAKE

KEY MAP



FINANCIAL HIGHLIGHTS

For the period January 1, 1949 to December 31, 1961



Total revenue from all sources	\$29,639,000
Total cost before depreciation and amortization	18,645,000
Additional funds received from the issue of shares and bonds	1,895,000
Re-invested in capital assets	4,704,000
Purchases of securities (net)	4,646,000
Expenditures re examination and acquisition of outside properties	544,000
Redemption of \$1,500,000 par value of bonds	1,438,000
Distribution to shareholders	3,231,000

